

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RECEIVED
SEP 22 4 50 PM '97
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS BRADLEY
(USPS-T-14) TO INTERROGATORIES OF UNITED PARCEL SERVICE
(UPS/USPS-T14-35-40)

The United States Postal Service hereby provides responses of witness
Bradley (USPS-T-14) to the following interrogatories of United Parcel Service:
UPS/USPS-T14-35-40, filed on September 8, 1997.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Susan M. Duchek

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2990; Fax -5402
September 22, 1997

Response of United States Postal Service Witness Bradley
to
Interrogatories of UPS

UPS/USPS-T14-35. Please refer to LR-H-148. Explain the use of the data sets VVMPN and VVMPO, and explain how they are used in producing the results in your testimony.

UPS/USPS-T14-35 Response:

Please see page H148-2 of LR-H-148 where it states:

A "scrub" program, described and documented below, was run on these input data sets to prepare the analysis data sets. They are called VVMPO.DATA for the direct operations and VVMPN.DATA for the allied operations

Please see page WP1-4 of Workpaper WP-1 where it indicates that VVMPO is read into the econometric programs that estimate the variabilities for the MODS direct operations. Also, please see page WP2-4 of Workpaper WP-2 where it indicates that VVMPN is read into the econometric programs that estimate the MODS allied operations.

Response of United States Postal Service Witness Bradley
to
Interrogatories of UPS

UPS/USPS-T14-36. Please refer to LR-H-149, BCS.TXT, page 2. Please confirm that the data step approximately one third of the way down the page, "DATA OPER; SET OPER;" does not perform any operation in this program. If confirmed, please explain the inclusion of this data step and address whether this data step was used for an analysis not provided in your testimony, or if it is simply extraneous. If not confirmed, please explain what operation the data step performs.

UPS/USPS-T14-36 Response:

Not confirmed. As I explain on page WP1-3 of Workpaper WP-1, the SAS data step can be used for a variety of purposes. For example, It can be used to combine data sets, *create new variables, eliminate variables that are not longer needed (to save memory), or* to define what data set should be used in subsequent operations. The use of the same name for the "DATA" part of the statement and the "SET" part of the statement (in this case "OPER") is simply a convenience that saves work space.

In the program BCS.TXT, the first use of the statements "DATA OPER; SET OPER;" is to define the data set on which the subsequent "KEEP" statement is applied and the second use of the statement "DATA OPER; SET OPER" is to define the data set on which the subsequent "PROC MEANS" statement is applied.

Response of United States Postal Service Witness Bradley
to
Interrogatories of UPS

UPS/USPS-T14-37. Please refer to LR-H-149, BCS.TXT, page 4. Please confirm that the fifth line from the bottom, "DATA OPER; SET OPER;" does not perform any operation in this program. If confirmed, please explain the inclusion of this data step and address whether this data step was used for an analysis not provided in your testimony, or if it is simply extraneous. If not confirmed, please explain what operation the data step performs.

UPS/USPS-T14-37 Response:

Not confirmed. I believe that you mean to refer to the statement "DATA OPER1; SET OPER1" because the data set "OPER" has been eliminated by that part of the program.

In any event, please see my response to UPS/USPS-T14-36 for an explanation of how this code is used in the program.

Response of United States Postal Service Witness Bradley
to
Interrogatories of UPS

UPS/USPS-T14-38. Please confirm that there are additional programs in LR-H-148 and LR-H-149 that include code that may be specific to mainframe processing or are left over from data analyses that were performed but not included in your testimony. If confirmed, please indicate the sections in each program in LR-H-148 and LR-H-149 that are left over from previous programming runs that were discarded, and explain why the results of these runs were not included in your testimony.

UPS/USPS-T14-38 Response:

Not confirmed.

Attached are printouts of the floppy discs provided in Library Reference LR-H-148 and LR-H-149. This printouts reveal what programs are contained on each disk. A review of the printout for LR-H149 demonstrates that each program on that disc matches a program used to estimate an econometric equation and described on page H149-1 of LR-H149. Disc 1 of LR-H-148 contains the BMC scrub program and data sets. Disc 2 of LR-H-148 contains the remote encoding data, the Registry data and scrub programs, and the scrub programs for the MODS allied and direct activities.

If there are any other programs on these discs, they were not placed there by me.

My Computer \3½ Floppy (A:)

<u>Name</u>	<u>Size</u>	<u>Type</u>	<u>Modified</u>
Bcs.txt	24KB	Text Document	7/1/97 7:07 PM
Bmcaidd.txt	30KB	Text Document	7/1/97 7:28 PM
Bmcp1at.txt	30KB	Text Document	7/1/97 7:27 PM
Cncl.txt	24KB	Text Document	7/1/97 7:17 PM
Fsm.txt	24KB	Text Document	7/1/97 7:10 PM
Ipp.txt	30KB	Text Document	7/1/97 7:24 PM
Lsm.txt	24KB	Text Document	7/1/97 7:09 PM
Manf.txt	24KB	Text Document	7/1/97 7:06 PM
Manl.txt	24KB	Text Document	7/1/97 7:04 PM
Manpar.txt	24KB	Text Document	7/1/97 7:15 PM
Manpri.txt	24KB	Text Document	7/1/97 7:14 PM
Nmo.txt	30KB	Text Document	7/1/97 7:25 PM
Ocr.txt	24KB	Text Document	7/1/97 7:10 PM
Opnbbsm.txt	35KB	Text Document	7/1/97 7:18 PM
Opnpref.txt	35KB	Text Document	7/1/97 7:19 PM
Plat.txt	35KB	Text Document	7/1/97 7:21 PM
Pouch.txt	35KB	Text Document	7/1/97 7:20 PM
Pps.txt	30KB	Text Document	7/1/97 7:21 PM
Rbcs.txt	1,223	Text Document	7/1/97 7:31 PM
Regis.txt	4,296	Text Document	7/1/97 7:30 PM
Sou.txt	30KB	Text Document	7/1/97 7:24 PM
Spbsnp.txt	24KB	Text Document	7/1/97 7:12 PM
Spbsp.txt	24KB	Text Document	7/1/97 7:13 PM
Sps.txt	30KB	Text Document	7/1/97 7:22 PM
Ssm.txt	30KB	Text Document	7/1/97 7:23 PM

Printout of the files contained on disk in
Library Reference H-149

My Computer \ 3½ Floppy (A:)

<u>Name</u>	<u>Size</u>	<u>Type</u>	<u>Modified</u>
bmc.dat	282KB	WordPerfect 7 Document	6/30/97 8:15 AM
scrubmcb.dat	296KB	WordPerfect 7 Document	6/30/97 8:18 AM
vvmbmesc.txt	83KB	Text Document	7/1/97 10:34 AM

Printout of the files contained on Disk 1
in Library Reference H-148

My Computer \ 3 1/2 Floppy (A:)

Name	Size	Type	Modified
fbcs.dat	128KB	WordPerfect 7 Document	6/30/97 8:17 AM
regjrs.dat	458	WordPerfect 7 Document	6/30/97 8:16 AM
regvol.dat	576	WordPerfect 7 Document	6/30/97 8:16 AM
rgdata.dat	429KB	WordPerfect 7 Document	7/1/97 9:22 AM
vvmalisc.txt	44KB	Text Document	7/1/97 10:22 AM
vvmdirs.txt	86KB	Text Document	7/1/97 10:30 AM
vvmregsc.txt	24KB	Text Document	7/1/97 10:34 AM

Printout of files contained on Disk 2
in Library Reference H-148.

Response of United States Postal Service Witness Bradley
to
Interrogatories of UPS

UPS/USPS-T14-39. Please refer to LR-H-148, VVMALLSC.TXT. Please confirm that the numbers in the right-hand column, beginning with 00006310, are extraneous and used only for mainframe runs, and that the JCL that would indicate precisely which data set is read has not been provided.

UPS/USPS-T14-39 Response:

Confirmed. Please see Library Reference H-148 at page H148-11 for a presentation of precisely which data sets (including the variable names and file formats) are read into VVMALLSC.TXT.

Response of United States Postal Service Witness Bradley
to
Interrogatories of UPS

UPS/USPS-T14-40. Please refer to page 76 of your testimony. Please provide the SAS, LIS, and LOG files that produced the results in your testimony. Also, please provide the results and SAS, LIS, and LOG files for other MODS activities not provided in your testimony, including manual parcel sorting, manual priority mail sorting, SPBS priority mail sorting, SPBS non-priority mail sorting, cancellation and mail prep, opening-pref mail, opening bulk business mail, pouching, platform, remote encoding, registry, and all BMC activities.

UPS/USPS-T14-40 Response:

The results on page 76 are part of my description of alternative econometric analyses that I performed in choosing the models that provide the variabilities that I am recommending to the Commission. For each alternative analysis, I identified differences between the alternative and the preferred model with respect to variable definitions, equation forms, or estimation results; I provided the econometric results for the alternative; and I discussed why the alternative is not preferred to the recommended model.

Because these results are simply part of my choice trail and I do not use them in producing my recommended variabilities, I did not document and retain the computer code like I did for the variabilites presented in Table 8, Table 9, Table 10, Table 11, and Table 12. I thus cannot provide it to you. I did however retain the printout of the econometric results that I presented on page 76 and I am attaching it to this interrogatory response. Please note that this printout also contains results for annual data without the autocorrelation correction.

Response of United States Postal Service Witness Bradley
to
Interrogatories of UPS

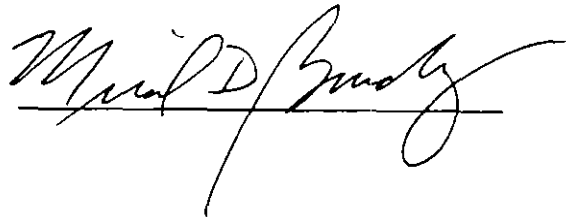
Finally, based upon the results provided in Table 14 on page 76, I determined that using annual data was not the preferred method. I thus did not estimate equations for the other operations you list and therefore cannot provide the requested results as they do not exist.

ESTIMATION ON ANNUAL DATA

	MANUAL LETTER		MANUAL FLATS		LSM		FSM		OCR		BCS	
BOLGETI-LI	0.3137		0.4055		0.3367		0.4639		0.3928		0.3299	
TPH	0.7317	33.3833	0.7988	32.5197	0.9471	124.1525	1.0402	47.8992	1.0031	36.1770	0.9749	39.7134
TPH2	0.0104	1.3342	-0.0595	-6.2655	-0.0042	-1.2079	0.0760	7.8295	0.0578	4.3650	0.0095	1.2997
MANR	-0.2428	-10.6756	-0.1881	-5.3417	-0.0510	-5.4159	-0.0688	-3.0026	-0.0824	-2.2454	-0.0060	-0.1817
MANR2	0.0082	0.9377	-0.0767	-3.1735	0.0049	0.6457	-0.0256	-1.8371	-0.0142	-0.4534	0.0248	1.1158
MANRTPH	-0.0500	-3.8498	0.1222	4.4997	0.0200	2.8224	0.0122	0.7788	0.0245	0.7531	-0.0231	-1.0997
T89	-0.1305	-7.7731	-0.0696	-4.3464	0.0087	0.9186	0.0295	2.5766	0.1281	4.1834	0.0382	1.8408
T90	-0.2352	-11.0461	-0.0877	-4.5492	0.0271	2.1829	0.0483	3.4612	0.1358	3.6092	0.0282	1.0802
T91	-0.2949	-13.8519	-0.1278	-6.5147	0.0337	2.5533	0.0964	6.6398	0.1357	3.6211	0.0374	1.4102
T92	-0.2924	-12.0252	-0.1243	-5.6146	0.0694	4.5146	0.1396	8.4681	0.2876	7.1515	0.0906	2.8160
T93	-0.2269	-8.8913	-0.1043	-4.4825	0.1275	7.7586	0.1565	9.0137	0.4155	9.8243	0.1430	3.9962
T94	-0.2247	-8.4428	-0.1174	-4.8822	0.1626	9.5705	0.1853	10.2085	0.4525	10.3334	0.1232	3.0957
T95	-0.2304	-8.3341	-0.1182	-4.7963	0.1828	10.2944	0.2000	10.6894	0.4787	10.6920	0.1030	2.3980
T96	-0.2059	-7.3656	-0.1385	-5.5092	0.1921	9.9959	0.2049	10.6664	0.5268	11.7334	0.0678	1.4802
R2	0.9413	0.9828	0.9478	0.9833	0.9812	0.9952	0.9670	0.9872	0.8777	0.9403	0.9502	0.9787
# OF OBS	1972		1918		1598		1461		1550		1842	
# OF SITES	309		300		239		219		234		287	
NO CORRECTION												
TPH	0.5954	26.5832	0.6068	22.2609	0.9213	115.5708	0.9992	41.7838	0.8820	29.0357	0.9794	37.9680
TPH2	0.0068	0.8807	-0.0577	-5.8124	-0.0076	-2.2626	0.0986	9.7832	0.0349	2.6672	0.0123	1.9549
MANR	-0.0963	-4.1941	0.1002	2.7084	-0.0375	-3.6109	-0.0680	-2.9239	-0.0801	-2.1631	-0.0279	-0.8661
MANR2	-0.0021	-0.2767	-0.0174	-0.8116	0.0243	3.0458	-0.0286	-1.9432	0.0202	0.6329	0.0266	1.1305
MANRTPH	-0.0298	-2.5389	0.0946	3.7438	0.0096	1.3049	0.0355	2.1959	-0.0322	-1.0294	-0.0319	-1.4904
T89	-0.0503	-2.9009	-0.0072	-0.4567	0.0069	0.7077	0.0170	1.4030	0.2200	6.0530	0.0110	0.4713
T90	-0.1109	-5.5693	0.0016	0.0945	0.0296	2.5567	0.0352	2.7590	0.2454	5.9883	-0.0079	-0.2855
T91	-0.1384	-6.8957	-0.0240	-1.4924	0.0394	3.2145	0.0880	6.9980	0.2617	6.2560	0.0183	0.6186
T92	-0.1543	-7.1038	-0.0412	-2.4093	0.0631	4.6413	0.1233	9.0088	0.3843	9.0390	0.0487	1.4110
T93	-0.0914	-4.0625	-0.0237	-1.3463	0.1116	7.8907	0.1391	9.7997	0.4841	11.4885	0.0891	2.3560
T94	-0.0857	-3.6944	-0.0289	-1.6044	0.1389	9.7597	0.1634	11.1411	0.4975	11.9659	0.0589	1.4558
T95	-0.0857	-3.5499	-0.0270	-1.4574	0.1541	10.3957	0.1771	11.6654	0.5099	12.2326	0.0351	0.8062
T96	-0.0566	-2.3042	-0.0470	-2.4823	0.1549	9.5850	0.1812	11.5980	0.5540	13.3787	-0.0042	-0.0900
R2	0.9469	0.9900	0.9539	0.9902	0.9827	0.9967	0.9698	0.9914	0.8882	0.9579	0.9531	0.9849
# OF OBS	1972		1918		1598		1461		1550		1842	
# OF SITES	309		300		239		219		234		287	

DECLARATION

I, Michael D. Bradley, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

A handwritten signature in cursive script, reading "Michael D. Bradley", written over a horizontal line.

Dated: Sept 22, 1997

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in cursive script, appearing to read "Susan M. Duchek", is written over a horizontal line.

Susan M. Duchek

475 L'Enfant Plaza West, S.W. -
Washington, D.C. 20260-1137
(202) 268-2990; Fax -5402
September 22, 1997